

Administration of Barack H. Obama, 2010

Remarks on the Patient Protection and Affordable Care Act

June 22, 2010

Thank you. What do you think, Taylor? She did a pretty good job. Yes, she was solid.
[Laughter]

Welcome to the White House, everybody. And thank you, Amy, for the wonderful introduction. Thank you, Taylor, for being here. Stories like Amy's and Taylor's are exactly why we passed the Affordable Care Act. And the courage that you and so many Americans have shown in sharing your stories is what kept us going until we actually got it done. And so we're very grateful to you.

I want to thank all the Members of Congress who are here today who helped to make reform a reality. The Secretary of Health and Human Services, Kathleen Sebelius, is here, as is Secretary of Labor Hilda Solis. And they are two of the members of my Cabinet who are helping to implement this law.

I just finished a meeting with the CEOs of some of America's largest insurance companies and some of our State insurance commissioners where we discussed how we're going to work together to implement health insurance reform.

Now, it was more than a year ago that some of these same CEOs came to the White House for one of the first meetings about what this reform would look like. And we knew we wouldn't see eye to eye on everything. But for the first time, nearly everyone involved in this debate—patients, hospitals, doctors, nurses, businesses large and small, Democrats and Republicans, even those most invested in the status quo, including our insurance companies—everybody knew that finally something needed to be done about America's broken health care system. It was no longer working for families, who were seeing more and more of their incomes eaten by health costs, causing real hardships for working people. It was no longer working for small businesses, who were burdened by the weight of premiums that had doubled—more than doubled over the last decade. It was no longer working for State and Federal governments, imperiling our fiscal future. And all the while, the number of Americans without insurance kept rising, compounded by a horrific recession, people losing their jobs and then losing their health care.

So one thing was clear to everybody: We couldn't keep traveling down the same road. For the sake of our families, our businesses, and the fiscal future of this country, we had to change course. And that's why 3 months ago, in this very room, I signed the Affordable Care Act into law.

Now, this law will cut costs and make coverage more affordable for families and small businesses. It's reform that brings—that begins to bring down our Government's long-term structural deficit. It's reform that finally extends the opportunity to purchase coverage to the millions who currently don't have it and includes tough, new consumer protections to guarantee greater stability, security, and control for the millions who do have health insurance.

Now, while it will take a few years to fully implement this law, we can already see it taking effect. Last month, 4 million small-business owners found a postcard in their mailbox informing them that they could be eligible for a health care tax cut this year worth tens of thousands of dollars to help them cover their employees. And America's largest businesses are

filling out applications for critical relief to help them provide coverage for retirees who aren't yet eligible for Medicare.

Two weeks ago, tens of thousands of seniors who fall into the Medicare prescription drug coverage gap known as the doughnut hole began receiving a \$250 check to help them afford their medicine. And by the end of the year, we estimate that 4 million seniors will receive this help. And by 2020, this law will close the doughnut hole completely. We're also strengthening Medicare by going after waste and fraud and abuse in the system and aggressively pursuing those who prey on seniors with scams.

In many cases, young adults without insurance can now stay on their parents' plan until they're 26 years old. That lifts a lot of worry from some parents' shoulders. Even though the insurance companies had until September to comply with this rule, my administration asked them to do so immediately to avoid coverage gaps for young adults. And I want to thank those companies that agreed to do this.

On July 1st, uninsured Americans who've been locked out of the insurance market because of a preexisting condition will now be able to enroll in a new national insurance pool where they'll finally be able to purchase quality, affordable health care, some for the very first time in their lives. For States that opt to run their own insurance pools using funds from the new law, my administration is urging them to begin enrolling people as soon as possible.

And in a few years, once the new competitive marketplace comes on line through insurance exchanges, discrimination against Americans with preexisting conditions will be banned for good. And that's when individuals and small businesses will finally have the same access to the same types of insurance plans that Members of Congress have for themselves.

And today I'm announcing that the Departments of Health and Human Services, Labor, and Treasury are issuing new regulations under the Affordable Care Act that will put an end to some of the worst practices in the insurance industry and put in place the strongest consumer protections in our history—finally what amounts to a true patient's bill of rights.

This long-overdue step has one overriding focus, and that's looking out for the American consumer. It's not punitive. As I said when I met with the insurance executives, it's not meant to punish insurance companies. They provide a critical service. They employ large numbers of Americans. And in fact, once this reform is fully implemented a few years from now, America's private insurance companies have the opportunity to prosper from the opportunity to compete for tens of millions of new customers. We want them to take advantage of that competition.

Now, what Americans respect—expect in return is a greater level of accountability and fairness and security. We expect to get what we pay for. And these rights guarantee just that: basic rules of the road that will make America's health care system more consumer-driven and more cost-effective and give Americans the peace of mind that their insurance will be there when they need it, give Amy that piece of mind that her insurance will be there when she needs it.

So starting in September, some of the worst abuses will be banned forever. No more discriminating against children with preexisting conditions. No more retroactively dropping somebody's policy when they get sick if they made an unintentional mistake on an application. No more lifetime limits or restrictive annual limits on coverage. Those days are over.

And I'm pleased to say that some insurance companies have already stopped these practices. When news reports indicated that a company was dropping coverage for women

diagnosed with breast cancer, my administration called on the industry to end the practice immediately—don't wait until September. And soon after, the entire industry announced that it would comply with the new law early and stop the practice of dropping people's coverage when they fall ill and need it most.

Some also questioned whether insurance companies might find a loophole in the new law and continue to discriminate against children with preexisting conditions. And to their credit, when we called the insurance companies to provide coverage to our most vulnerable Americans, the industry agreed.

Those were the right things to do for their consumers, their customers—the American people. And I applaud industry for that. And we're going to hold industry to that standard, a standard in which industry can still thrive but Americans are getting a fair shake.

The patient's bill of rights also eliminates the barriers that stand between the American people and their doctors. Americans will be able to keep the primary care doctor or pediatrician they choose. You'll be able to see an ob-gyn without a referral. You'll be able to seek emergency care at a hospital outside the plan's network without fighting to get approval from an insurance company first. And consumers will finally have access to simple, clear information about their choices and their rights. These protections to preserve America's choice of doctors made up the original patient's bill of rights. It was a proposal that was debated over a decade ago with significant bipartisan support, but was never enacted until now as part of the Affordable Care Act.

So this is a long-overdue victory for America's consumers and patients. And, yes, it does away with the status quo that some insurance companies have taken advantage of for so long. But insurance companies should see this reform as an opportunity to improve care and increase competition. They shouldn't see it as an opportunity to enact unjustifiable rate increases that don't boost care and inflate their bottom line.

And the fact is, some insurance companies tried to raise rates even before we passed the law, even though some of them were making record profits. Earlier this year, for example, more than 800,000 Anthem BlueCross customers in California opened their mail to see that their premiums would go up by as much as 39 percent. My administration wanted to know why. People's wages aren't going up 39 percent, and the company's expenses didn't rise by 39 percent. And when pressed, they took a look at it and said, "Well, our math was wrong; we didn't justify that kind of rate increase." So they withdrew it.

The point is that there are genuine cost drivers that are not caused by insurance companies. But what is also true is we've got to make sure that this new law is not being used as an excuse to simply drive up costs. So what we do is make sure that the Affordable Care Act gives us new tools to promote competition, transparency, and better deals for consumers. The CEOs here today need to know that they're going to be required to publicly justify unreasonable premium increases on your web sites as well as the law's new web site, healthcare.gov. As we set up the exchanges, we'll be watching closely, and we'll fully support States if they exercise their review authority to keep excessively expensive plans out of their insurance exchanges.

None of this is designed to deprive insurance companies of their fair rates. And as I mentioned when we were meeting with the CEOs, there are a lot of cost drivers other than those that are within insurance companies' control. But it is important to have these steps in place to protect consumers from unjustifiable rate increases. In fact, many States are already

exercising their review authority. We're already seeing a wave of change that's lifting up consumers and leveling the playing field. Maine rejected a proposed 18-percent rate hike there. Pennsylvania is investigating premium increases made by nine of the State's largest insurers. New York recently passed a law granting the State the authority to review and approve premium increases before they take effect. And we're working with other States and the State insurance commissioners here today to support similar efforts. Secretary Sebelius has urged them to investigate other rate hikes. We've set up a new Office of Consumer Information and Insurance Oversight to help. And we'll provide grants to the States that run the best, most innovative oversight programs to protect their consumers.

And beginning next year, insurance companies will be required to spend at least 80 or 85 percent of health care dollars where they should be spent: on health care and on efforts to improve its quality. Not on profits, not on bonuses, not on administrative costs that don't make people healthier.

Ultimately, all these reforms are about more than just ending a dangerous status quo. They're about offering stability and security to Americans who need it. Now, we're in Washington, so obviously there's politics involved. And I've got some folks on the other side of the aisle that still think none of this should happen and, in fact, have said they're going to run on a platform of repeal. They want to go back to the system we had before.

Would you? *[Laughter]* Would you want to go back to discriminating against children with preexisting conditions? Would you want to go back to dropping coverage for people when they get sick? Would you want to reinstate lifetime limits on benefits so that mothers like Amy have to worry?

We're not going back. I refuse to go back, and so do countless Americans who bravely shared their stories with me over 2 years as I traveled this country and who wrote letter after letter to me in the White House. A lot of them are here today.

You heard Amy's story. Taylor got ill, and the treatment produced multiple costly side effects. And now, just 3 years after diagnosis, they're picking and choosing which tests and treatments to pursue because they don't want to exceed their plan's lifetime limits. So, Amy, you and Taylor are why the Affordable Care Act bans those lifetime limits. And you're why these Members of Congress right here fought so hard, despite some very tough politics, to make this happen.

I met Nathan Wilkes from Englewood, Colorado, last August. His son, Thomas, was born with hemophilia in 2003. At the time, the Wilkes family had high-quality insurance through the high-tech company that Nathan helped to found. But when that insurer saw Thomas' claims, it began jacking up premiums for all of Nathan's employees and their families. No other insurer would take Nathan as long as Thomas was on the policy.

[At this point, a fly flew in front of the President.]

Get out of here. *[Laughter]* You've seen me grab one of those before. *[Laughter]*

So as Nathan's family neared their lifetime limit, a social worker actually suggested that Nathan and his wife get divorced so that she could go on Medicaid. And nobody should face a choice like that in America. So, Nathan, you and your family, you're why the Affordable Care Act bans those lifetime limits and ends the discrimination that young Thomas faced.

I met Laura Klitzka last year in Green Bay, Wisconsin. Laura—it's wonderful to see her here with her crew. Laura was diagnosed with breast cancer 2 years ago. She's undergone 8

rounds of chemotherapy, a double mastectomy, 33 rounds of radiation; then the cancer returned, spread to her bones. She lost her job during treatment. The coverage she had through her husband's employer has a lifetime limit of \$1 million, and so like Nathan, they worry they'll hit that limit. They're struggling to pay their medical bills. Laura is worried about losing their house. She just wants to make sure that she can spend time focused on being well and not worrying about her medical bills. Laura, you're why we banned those lifetime limits too.

I met Katie Gibson last year in Bozeman, Montana. Because Katie once had cancer, her insurance policy was suddenly revoked when she needed it most, even though she was paying her premiums. And I called Katie the day after the House passed a reform bill last November, and I told her then that when it finally became law, we'd be able to protect Americans like her from the kind of abuses she's had to endure. And, Katie, now we can.

So anybody who favors repeal is welcome to come talk to these people and tell them why we should go back to the status quo prior to us signing this bill, go back to the way things were. They are going to need to explain why they and tens of millions of Americans should have their new rights taken away. I don't think they'll have that conversation.

Because in the end, folks like Amy and Nathan and Laura and Katie are who this law was made to help, Americans who work hard, who do the right thing, and just expect a fair shake in return. In every story I heard out there, in every letter I read at night, people were not asking for much more than that. Nobody ever asked for a handout. Nobody ever asked for a free ride. A lot of times folks wrote they were embarrassed or guilty about asking for help at all when so many of their fellow Americans were hurting as well. Some even apologized for writing in the first place. But they all said the same thing: Please do something for people like me and families like mine.

So we did. The stories of everyday Americans and, more importantly, the courage it took to share those stories is what kept this effort alive and moving forward, even when it looked like it was lost. They are why we got this done. They are why I signed this bill into law. It wasn't easy, and it isn't perfect. Change never is in a country as big and busy and diverse as this one. But every time this country has moved forward, it's because ordinary Americans like these summoned what's best in each of us to make life better for all of us, and it's because we as a people find the will to cobble together out of all of our differences that American sense of common interest and common purpose that's always been required to advance the dreams of all of our people.

That's why we got this done. And that's what the Affordable Care Act does. And as long as I have the honor of being your President, that's what we're going to keep on doing together.

Thank you very much. God bless you, and God bless the United States of America.

NOTE: The President spoke at 12:20 p.m. in the East Room at the White House. In his remarks, he referred to Amy Willhite, who introduced the President, and her daughter Taylor. The President also referred to Public Law No. 111-148, the Patient Protection and Affordable Care Act.

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